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Final Report

V-89-04-0329

Farm Estate and Retirement Planning

Funded by
The Agriculture Development Fund

January, 1991

Prepared by: G.W. Hass

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FARM ESTATE

AND

RETIREMENT PLANNING

FINAL REPORT

PROJECT V-89-04-0329

PREPARED BY

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PROJECT MANAGER

JANUARY 25, 1991

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ABSTRACT

Farm estate and planning is complex and involves tax and legal issues that are difficult to understand. As well many farmers neglect the basic principles which are required for proper maintenance of the family farm. The Farm Estate and Retirement Planning videos provide information to assist farm families in their planning. The videos discuss retirement strategies, intergenerational land transfers, family equitability and estate planning strategies.

SUMMARY

While production and marketing issues relating to agriculture receive a great deal of public attention, other issues are also affecting Saskatchewan farm families. Statistics Canada census show that the average age of farmers is nearly 50 years of age. Many farmers are older and are now considering retirement. Their concerns relate to retirement strategies, intergenerational land transfers, family equitability and general estate planning. They are concerned with keeping the family farm and the family!

One agricultural finance consultant reported that out of 500 farmers seeking financial advice with his firm, 85% were due to problems stemming from poorly managed intergenerational farm transfers. Another firm reported that 230 of the 275 farm files in their portfolio dealt directly with retirement planning strategies and problems relating to non farm family member involvement in estates. Many agricultural organizations and agencies also indicated a need for more help in advising their membership in relation to agricultural financial management relating to farm family matters.

To meet this need, a proposal was funded by the Agricultural Development Fund and Future Corporation which facilitated the development of four video tapes. These tapes were based on a farm family story which showed family problems and provide answers by experts in financial planning.

The purpose of the videos to motivate farm families to think about estate and retirement planning and to seek professional advice to assist them with the difficult tax, legal and personal issues that affect proper planning.

The Saskatchewan Association of Rural Municipalities received the funding as the instigating organization. It in turn contracted with the Extension Division at the University of Saskatchewan to produce the video tape series.

The firm of Yeager, Young and LeBlanc were the principle subject matter specialists who with assistance from faculty of the University, subject matter specialists with the provincial government and financial consultants with the private sector, wrote the script. The videos were produced by the Department of Audio Visual Services and the Extension Division acted as project manager. Both of these are units at the University of Saskatchewan.

Copies of the four videos have been purchased by SARM for resale at cost to all rural municipalities in the province. As well several financial consulting firms have purchased copies for use with their clients. Several agricultural organizations and agencies have also expressed interest in obtaining copies for their use. With this amount of interest, most farmers should have access to the information relating to farm estate and retirement planning.

TECHNICAL REPORT

Abstract

Farm estate and planning is complex and involves tax and legal issues that are difficult to understand. As well many farmers neglect the basic principles which are required for proper maintenance of the family farm. The Farm Estate and Retirement Planning videos provide information to assist farm families in their planning. The videos discuss retirement strategies, intergenerational land transfers, family equitability and estate planning strategies.

Background and Objectives -

Because the average of farmers in Saskatchewan is approximately 50 years of age, it is important that they begin to consider estate and retirement planning. The objective of this project was to develop four video tapes which would cover basic retirement strategies, intergenerational land transfers, family equitability and estate planning strategies. These tapes would be used to educate and motivate farmers to realistically assess their farm units and use proactive farm management rather than crises management in their farm estate planning.

Methods and Results -

Four video tapes were produced using the expertise of private consultants Yeager, Young, LeBlanc, University faculty and Saskatchewan government subject matter specialists. The videos were produced by the Department of Audio Visual services at the University. The Saskatchewan Association of Rural Municipalities have made copies of the videos available to farm families through their municipal offices. As well, several financial consultants and some provincial government branches are discussing the possibility of using the videos in future programs. The videos were also shown at the Farm Progress Show in Regina.

Conclusions -

The design of the tapes was to create an awareness of the importance of sound estate and retirement planning. Once farm families have viewed these, it is hoped that they will seek out professional help to develop sound plans and avoid a crisis situation.

Impact on Saskatchewan Agriculture

The videos will be made available at cost to any organization, agency private firm or individual. Because the videos are produced so as to create an awareness of the importance of estate and retirement planning and because they are built around a family situation, farm families are able to relate to the issues and are motivated to give thought to their estate planning. It is likely that over the next three years a large percentage of farm families will view these videos. It is virtually impossible to estimate the specific impact on

Saskatchewan Agriculture but anything that will assist farm families in estate planning will be important.

Technology Transfer -

The video tapes will be used to motivate farm families to begin to think about the importance of estate and retirement planning. They have been viewed at the Farm Progress Show, at the SARM convention, at various financial planning workshops and at staff training meetings within government.

Personnel -

A large number of people have been involved in this project:

***Subject Matter content:**

Ward Yeager	Yeager, Young, LeBlanc
Marcel LeBlanc	Yeager, Young, LeBlanc
Don Surminsky	Rural Development
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